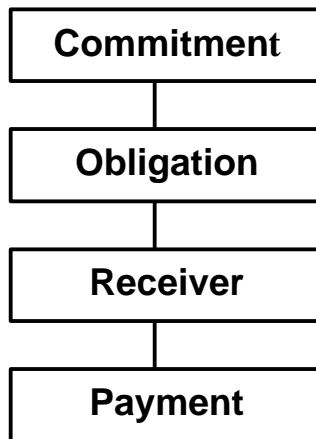


The Spending Chain in FFIS



A spending chain is the series of accounting procedures and documents that are used when purchasing goods and services. In FFIS, a spending chain is the combination of these accounting steps: commitment, obligation, receiver, and payment.

A **commitment** is the setting aside of funds that will be used to purchase goods and services in the future. Commitments are not legally binding; instead, they represent the intent to purchase. Currently, a commitment will not draw down funds. However, this may change in future years. The Requisition Document (RQ) records commitment transactions.

An **obligation** records the accounting and budgetary impact of an order to purchase goods and services. Once an order is placed, we have a legal responsibility, or obligation, to pay for the order. Therefore, the available budget amount is reduced by the amount of the order. Miscellaneous Order Documents or MO, are used to obligate documents such as purchase orders, contracts, agreements, and training, either by direct entry into FFIS or by interfaces. A Standard Voucher Document clone or YE is used to obligate period-end estimates for items such as unpaid Blanket Purchase Agreements or unsubmitted travel.

The **Receiver**, or RC Document records the actual receipt and acceptance of goods and services previously ordered. The RC document changes this transaction from obligated to accrued, in other words, from undelivered to delivered.

An **Expenditure** is an authorization to pay for goods and services received. FFIS records expenditures using various types of payment documents. The payment documents may reference and liquidate a previous document in the spending

chain that was previously recorded. The most common document is the Payment Voucher Document or PV that records the expenditures of goods and services received, and are used to request payment by Treasury Check or electronic funds transfer.

This following graphic shows the tables that are updated as documents are processed. This automatic feature is an important part of FFIS because it allows the user to view the immediate results of the transaction.

Commitment (RQ)	REQH, REQL
Obligation (MO)	OBLH, OBLL
Receiver (RC)	RCHT, RCLA
Payments (PV)	PVHT, PVLТ, UPVT, VXDD, TSCH, TSCL, EFTH, EFTL, and IVCH